CHILTON'S
December 5, 1985

IRON AGE

MANUFACTURING MANAGEMENT

$150 BILLION TRADE DEFICIT

$200 BILLION FEDERAL BUDGET DEFICIT

U.S. TRADE: WHAT NOW?

SUPERALLOYS SOAR TO NEW HORIZONS

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CHILTON'S
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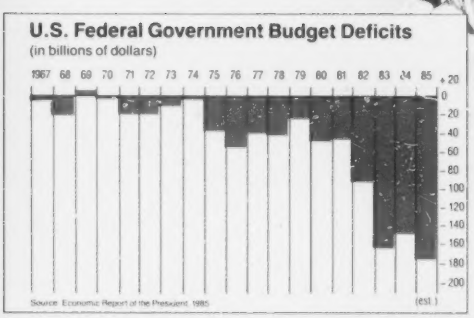
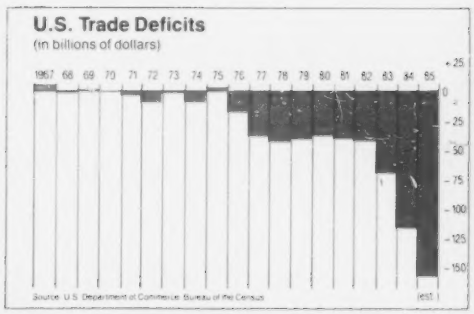




BY BRYAN H. BERRY

U.S. TRADE: WHAT NOW?

What is going on here? Consider these puzzlers:

—Japan is vital to world peace and the national security of the U.S., so President Reagan soft-pedals his efforts to get it to open its markets. Meanwhile, American steel, machine tool, and semiconductor makers demand protection from Japanese imports, since they're vital to American national security.

—Congress proposes 200-odd bills to protect American industries but lacks the discipline to take the single action that would do the most to reduce the trade deficit: cut government spending.

—U.S. banks lend billions of dollars to Latin American nations, which then find themselves hard-pressed even to pay interest on the loans. To win surplus dollars, the nations cut imports and increase exports to the U.S. The U.S. then threatens to reduce Latin American imports, which would deny these nations the means to repay their debts to U.S. banks.

—From 1981 to 1984, the U.S. trade deficit with every one of its four major trading partners—Canada, Japan, Europe, and Latin America—grows by $15-20 billion. Yet Japan becomes the whipping boy for all of America's industrial woes, since it's responsible for the biggest trade imbalance: $37 billion in 1984, an estimated $50 billion this year.

But Japan is a story in itself. Grasping for reasons to explain Japan's success, American manufacturers have swallowed some big lies about the Asian island. Consider these myths:

—From 1980 to 1985, the U.S. dollar rose by 65 pct against the Deutschemark, 70 pct against the British pound, 115 pct against the French franc—and 9 pct against the Japanese yen. Yet received wisdom in America's industrial heartland is that Japan was artificially manipulating the yen to push it down against the dollar and boost exports to the U.S. In recent years Japanese businessmen and government officials repeatedly have explained to Americans that no, they weren't holding down the yen, that instead

the dollar was too strong. And according to all the evidence gathered by the U.S. government, the Japanese explanation is correct.

—Japan, Inc., orchestrated by Japan's Ministry of International Trade and Industry (MITI), is the deep dark secretive machine orchestrating Japan's industrial successes, Americans have told one another over the years. But the fact is: Japanese companies are fiercely competitive against one another, and MITI has sponsored as many failures as successes. Most notable mistake: MITI ordered the consolidation of the Japanese auto industry into two or three major companies, as in the U.S. But Honda, Mazda, and Mitsubishi disagreed, and now each of them is healthy enough to be building an auto plant in the U.S.

—The U.S. has become a second-rate colony to proud Japan, charge some Americans: We ship them corn, and they ship us Toyotas. But in fact fully half of U.S. exports to Japan are manufactured goods. Of the $23.6 billion in goods we shipped Japan last year, $11.9 billion were aircraft, electronics, data-processing equipment, and other manufactured goods. To be sure, we also shipped $11.7 billion in raw materials, including $1.9 billion of corn, $0.9 billion of coal, and $0.6 billion of cotton. And fully 98 pct of our imports from Japan were manufactured goods. But we shipped more manufactured goods to Japan than, for example, Germany.

What's ironic is that the top ten nations swamping us with imports also happen to be among our most important allies (see table, p.). The nations of Latin America owe much of their political stability to their ability to export their way out of the debt crisis. Japan is our most strategic military ally. Thundering about trade wars and vengeance, Americans sometimes forget that these are our friends we're talking about, not our enemies.

Oil and Autos

Oil accounted for most of the trade deficits in the 1970s. It's still the largest single item in the deficit, accounting for fully $55 billion of last year's $123 billion trade imbalance.

The two oil shocks of 1973-74 and 1979 hiked oil prices and greatly increased consumers' desires for small cars. Preoccupied with meeting new government rules on fuel economy, emissions, and the environment, Detroit offered Vegas and Pintos to compete against Datsun B-210s and Honda Civics.

Detroit's offerings disappointed American consumers, particularly younger ones, who switched to Japanese brands. Though the quality of American cars now is almost equal with that of the Japanese, Detroit's small cars in the 1970s saddled it with an image of poor quality that it has yet to overcome fully.

Cars accounted for the greatest share of the Japanese imports until 1984, when the $15 billion in televisions, stereos, video-cassette recorders, data-processing equipment, and other electronics equipment surpassed the $13.7 billion of cars shipped here from Japan. Hardest hit by the surge of Japanese electronics imports are the American semiconductor makers, who have petitioned the U.S. government for relief.

Engine of Growth

From 1977 to 1982 the U.S. trade deficit hovered around $40 billion, most of it oil. But in 1983 the U.S. economy started growing phenomenally, hitting 8.7 pct growth in the peak year of 1984—its biggest growth since 1951.

The Reagan administration had cut taxes and sweetened incentives for capital spending. The Federal Reserve Board kept the supply of dollars low by making them expensive to buy—by raising interest rates. That kept inflation low. These Federal policies combined to spark the boom in plant modernization, new construction, and consumer spending in 1983-84.

1983 and 1984 were also the first two years in which the U.S. trade deficits took unprecedented leaps to a record $69 billion in 1983 and another record of $123 billion in 1984. As the growth in the U.S. economy slowed this year, so did the growth in the trade deficit, which will hit another record mark—about $150 billion—for 1985.

The American economy was the engine of growth for the world economy in 1983-84. As the U.S. economy revved up to 8.7 pct growth in 1984, Japan's grew by 5 pct and Western Europe's by 3 pct.

In 1984 most of the growth in the economies of Japan, Canada, Latin American, and the newly industrialized countries of the Pacific basin was due to exports. And most of those exports went to the U.S.: fully 80 pct of Japan's additional exports and nearly all of Canada's. Exports to the U.S. accounted for nearly all the growth in the gross national product (GNP) of Canada and Mexico from 1982 to 1984, nearly one-half of Japan's, and one-fourth of the European Community's. Despite the bellicose threats exchanged between nations about trade, these parts of the world can thank Uncle Sam for their recent economic growth.

PACIFIC BASIN	
Total trade	$182
U.S. imports	123
U.S. exports	59
U.S. deficit	64

And Uncle Sam can thank them. The tide of imports satisfied Americans' demand for goods and kept supply steady enough to control inflation, an unwelcome result of many past booms in consumer demand.

Debts and Deficits

As Americans paid their dollars for Nikon cameras and Volvo station wagons, the foreigners then invested these dollars at the highest interest rates available in the world: right here in the U.S., of course, where U.S. Treasury bills and bonds were and are paying rates twice as high as in Europe and Japan.

This also proved helpful to the U.S., since the U.S. government has been spending billions more than it's been taking in. The total debt accumulated by Uncle Sam over the years will hit the $2 trillion mark in 1986. The Federal budget deficit for 1985 will top $200 billion.

The U.S. government was fortunate to be able to borrow money from foreigners, because American banks don't have enough money to lend. Americans save 5 pct of their disposable income; the Japanese, 17 pct.

"The Reagan tax program increased capital investments," pointed out Geza Feketekuty, senior assistant to U.S. Trade Representative Clayton Yeutter. "The problem is, it didn't increase savings." Savings by individual Americans have remained fairly constant over the past four years—not nearly enough to cover burgeoning Federal deficits.

In fact, savings by American businesses and individuals covered only 70 pct of U.S. capital requirements in 1984. Foreign-owned dollars financed the rest. Japan, for example, is lending almost $60 billion for the U.S. Federal deficit in 1985. In 1984 the U.S. government paid $19 billion in interest to foreigners holding U.S. Federal debt issues.

The flow of foreign capital into the U.S. also helped prevent inflation here. Without the foreign dollars, the U.S. would have had to increase its money supply.

In 1982 the U.S. was the world's largest creditor: Foreigners owed us $150 billion. This year we became a debtor nation for the first time since 1914. Some time next year, estimates the U.S. Dept. of Commerce, the U.S. will owe foreigners $150 billion, making us the world's largest debtor. That's a dizzying $300 billion swing in capital flow in four short years.

The Strong Dollar

The rising value of the dollar since 1980 clearly has been a major cause of the trade deficit. From 1980 until February 1985, the dollar rose steadily against the world's major currencies: by 76 pct against an index of 67 countries, by 39 pct against the 14 major industrial nations.

To be sure, the dollar had been

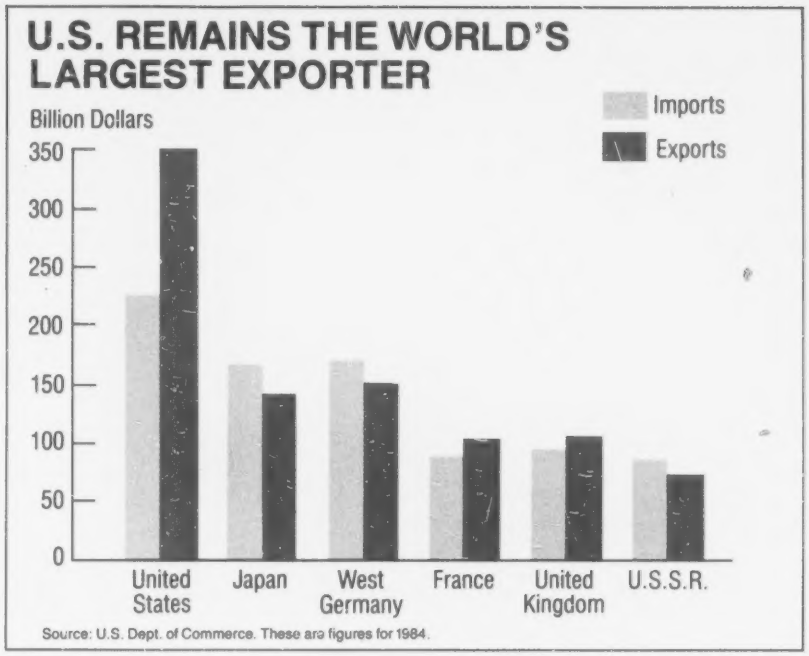
pushed abnormally low in 1980 by the inflation and economic downturn in the later years of the Carter Administration. And though the dollar rose just 9 pct against the Japanese yen from 1980 to early 1985, the yen in 1980 was abnormally low, too. The Japanese government had intervened in the mid-1970s to weaken the yen and strengthen exports. After then, the Japanese government let the market set the yen's value.

Only in 1973 did the major governments of the world allow the free market to set the value of their currencies. From 1945 to 1969, these nations adhered to the Bretton Woods agreement and fixed their exchange rates. After 1969, these controls loosened. The nations formally decided in the Smithsonian agreement to let the market set the rates.

This year, as the growth in the U.S. economy slowed from its torrid pace of 1984, the dollar dropped gradually by 12 pct through September. But as Congress grew more militant in threatening protectionism, the finance ministers of the U.S. and four nations intervened in the exchange rates. To push the dollar down, the treasuries of the Group of Five (G-5: U.S., Japan, Britain, France, West Germany) sold dollars in large volumes. This raised the supply of dollars, cut demand, and lowered the price of dollars. Since the G-5 announced its policy of intervention in late September, the dollar has fallen by 10 pct against the Japanese yen.

This is good news, but it's still unclear how much the new policy of intervention by the G-5 will affect the dollar. The finance ministers have not set—or at least not publicly stated—targets for where they'd like the exchange rates to be. Nor have they said how long or how often they'll intervene.

But the key question remains: What will the open market tell us the price of the dollar should be? The simple, inexorable law of supply and demand will continue to set the dollar's exchange rate, even if the G-5 intervene now and then. And demand for dollars remains high.



Not only is the U.S. a haven for investments, but many of the world's goods—notably, oil—must be paid for in dollars all over the world. Japan must pay for 90 pct of its imports, including oil, in dollars.

Most analysts agree that the dollar must drop another 20 pct from its November levels to substantially reduce the U.S. trade deficit. The Japanese government says it wants to raise the yen so that one dollar equals 200 or fewer yen. Last month one dollar equaled about 215 yen. The yen bottomed out in November 1982 at 275 to the dollar.

As the dollar weakens, our trade deficits will go through what economists call a J-curve. That is, foreigners will continue to export the same volume of goods to us. As the value of the dollar falls, we'll have to spend more dollars to buy the same number of imports. In dollars, therefore, our trade deficit will actually get bigger before it gets smaller.

This J-curve takes 18 months to 2 years to make its full sweep. The growth in the trade deficit in 1985 already has slowed from its skyrocketing in 1984—and should continue to slow next year. However, most analysts expect our trade deficits to remain on the $150-billion plateau in 1986 and probably for two or three years beyond.

Business executives often complain that the massive flow of capital into the U.S. skews the way exchange rates are set, unnaturally pumping up the dollar. In the past, they say, the flow of trade determined exchange rates.

But, in fact, not since the death of Bretton Woods in 1973 have trade flows alone determined exchange rates. Since 1973 exchange rates have been set by the simple law of supply and demand. And demand for dollars will remain high as long as the U.S. government pays interest rates that are twice as high as what foreigners can get at home.

U.S. interest rates will remain high as long as the U.S. government hogs the supply of dollars. By spending $200 billion more each year than it takes in, Uncle Sam is making everyone else pay dearly for the supply of dollars left over. And the supply of dollars available to the American private sector is low, because Federal Reserve Board Chairman Paul Volcker is understandably keen on keeping inflation low.

Cutting the Trade Deficit

So what's the quickest way to reduce the U.S. trade deficit? You said it: Reduce the Federal budget deficit! That's what's skewing exchange rates: The massive flow of capital into the U.S. is an indirect result of the bloated Federal deficits here.

"If I were a businessman, I'd be screaming!" said Sidney L. Jones, the U.S. Department of Commerce's undersecretary for economic affairs. "How can the government say there's free trade and a natural market flow when our government policy is to have high budget deficits? Exchange rates won't be normal until interest rates are normal. And interest rates won't be normal until the Federal budget deficit is reduced."

Another way to reduce the trade deficit is for Europe and Japan to take over from us as the engines of growth for the world economy. Japan's economy is growing, but most of that growth so far has come from exports. Europe is stagnant. Latin America is still struggling to pay its international debts and can't be counted on to increase imports from the U.S. until it achieves financial stability.

"It's wishful thinking to say we'll export our way out of our trade problem," said Lawrence A. Fox, the National Association of Manufacturers' (NAM) vice president of international economic affairs.

Indeed, too many American manufacturers appear simply to have given up any attempt to increase exports. Instead of learning to speak Japanese and setting up offices there and in Europe, many Americans have swallowed the big lie that the U.S. can't compete worldwide. Such self-fulfulling prophecies have done more than their fair share to increase our trade deficit.

To be sure, the U.S. is the most open market in the world. Europe limits various imports, including autos from Japan. Japan actually has lower average tariffs than the U.S.—9 pct there, 9.5 pct here—but has hidden behind a shifting camouflage of non-tariff barriers that require some real perseverance by foreigners to overcome.

The NAM was among the American concerns that lobbied hard to get Japan to open the newly privatized Nippon Telephone and Telegraph to foreign competition. NAM's diligence paid off, but too many Americans lack the commitment to sell their goods in Japan. "Some Americans regard the Japanese language as a non-tariff barrier," wryly pointed out Robert E. Watkins, the U.S. Department of Commerce's deputy assistant secretary for automotive affairs and consumer goods.

The commitment of Japanese business and government to sell their products in the U.S. is key to the Japanese success here. Their diligent adherence to a national policy of exporting no doubt will weather a weaker dollar—even it lowers their profits somewhat. Japanese auto exports to the U.S. climbed steeply in the second half of the 1970s even as the dollar hit a low of 175 yen per dollar. And following hard on the heels of the Japanese are Korea, Singapore, Hong Kong, and Taiwan.

"We're still trying to find the means to grapple with industrial targeting by other nations," said Bruce P. Malashevich, vice president of the Washington, D.C.-based Economic Consulting Services, Inc. "We're the natural target for world trade, since there's no other place as big or as open as the United States. Everybody's efforts are concentrated on us.

"What we're mainly dealing with is the natural inclination of nations to increase their wealth. That's more important than exchange rates or capital flows."

Protectionism

In September President Reagan announced that the U.S. government will oppose unfair trade practices by initiating Section 201 and 301 cases and by making it easier for industry to file these petitions for relief.

Section 201 of the Trade Act of 1974 gives relief to American industries threatened by all imports—and reduces imports from all countries. Section 301 prohibits dumping by specific countries. The Cast Metals Federation is among the trade groups presently collecting data to win protection from imports.

Some industries, including makers of specialty and carbon steels, already have won protection. Harley-Davidson, the sole remaining U.S. builder of big motorcycles, won big increases in duties on imports. In addition to the standard 4-pct duty on all imported vehicles, importers of big bikes paid an extra 45 pct duty in 1983-84, 35 pct the next year, and so on down to an extra 10 pct in 1988-89.

The U.S. also has become much more aggressive in pressuring our trading partners to drop their barriers to trade. This summer Japan announced a major program that will chop away many of the byzantine inspection and certification procedures that presently tie up imports. However, many U.S. officials were angered that the Japanese program takes effect partly in 1987, partly in 1986.

"It's outrageous that Japan denies us full access to their market when they've been so successful in ours," said Mr. Feketekuty of the U.S. Trade office.

At least Japan no longer requires U.S. cigarette exporters to Japan to advertise in English. But foreign carmakers still can't sell through dual dealerships, which sell two companies' cars. That's how Japan built up its market share here at first. Still, Detroit appears so little interested in selling in Japan that it doesn't even make cars with right-hand drive for the Japanese roads.

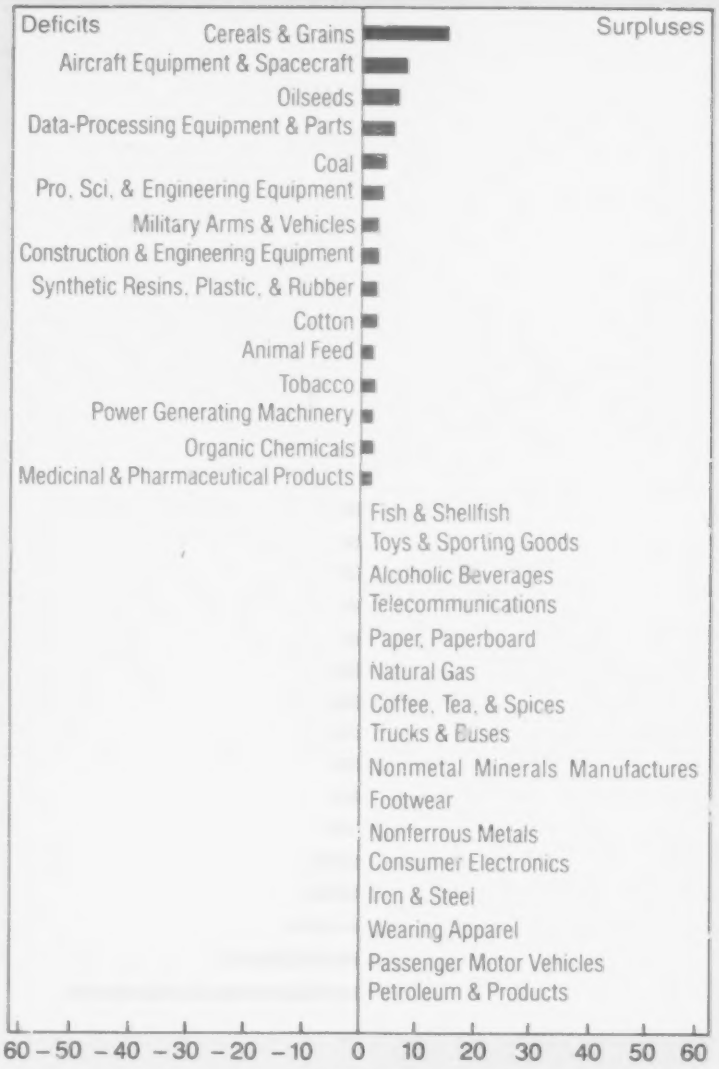
Americans could compete worldwide better if we had a tax system similar to Japan's or Europe's. Japan levies a commodity tax on goods; the tax varies by product. European nations levy a standard 15-20-pct value-added tax (VAT) that taxes most items the same amount. Since Europe and Japan don't levy these taxes on exports, their tax systems encourage exports.

The U.S., in contrast, uses individual and corporate income taxes. These add to the cost of each employee and each product—and can't be taken off exports from the U.S.

"Our tax system subsidizes imports and penalizes exports," said Mr. Fox of the NAM. "Ultimately we're going to have to go to some form of value-added tax."

OIL IS STILL NO. 1 IMPORT

U.S. Trade Balances by Products



Source: U.S. Dept. of Commerce. All figures are for 1984

Besides cutting government spending, encouraging economic growth in Europe and Japan, and reforming our tax system, the best way to cut our trade deficit is to increase the productivity and technological competitiveness of our nation's industries. That's the true way to win customers here and abroad. And that's what American industry is doing through the kind of bold attempts at design and manufacturing innovation symbolized by General Motors' Saturn project.

"Free trade is fair trade," Undersecretary Jones told *Iron Age*. "It's when you manipulate it—as we do through the government deficits—that it's not fair.

"Now I'm not stupid or naive enough to say there is free trade throughout the world or that the playing field for world trade is level. But if we turn to protectionism, the playing field will become even less level.

"Instead, I would like to see us move even further toward free trade. The solution to our trade problems today is to have less protectionism around the world, not more." □

PRICE & PRODUCTION DATA

(Effective November 11,1985)

Steel production by districts, thousands of tons (000 omitted)

	Last Week	Two Weeks Ago	Month Ago	Year Ago
Northeast Coast	171	176	176	127
Pittsburgh	148	155	161	195
Youngstown	97	94	90	90
Lake Erie	122	146	139	109
Detroit	152	150	149	143
Chicago	467	439	488	411
Cincinnati	83	80	78	84
St. Louis	72	73	75	68
Southern	184	188	194	176
Western	77	82	86	66
U.S. Production	1,578	1,583	1,636	1,469

Source: American Iron & Steel Institute

Lake Superior Ore Prices

51.50% Fe Natural delivered lower lake ports. Rail transportation, handling and unloading may be charged to the account of the buyer. Coarse ore 50¢ premium.

Pellets (per iron unit natural	gross-ton 59.4*
Pellets (per iron unit natural	gross-ton 72.5-86.9**
Mesabi, regular-unscreened	gross-ton $32.53
Mesabi, non-bessemer	gross-ton $30.03-31.53***

*59.4¢ - Reserve Mining, 8-1-85 (delivered Duluth-Superior, upper Lake ports).
**72.5¢—U.S. Steel, eff. 8-16-85. **86.9¢ - Oglebay Norton, 3-25-82. Hanna Mining and Cleveland Cliffs, 2-25-82. ***Effective 5-1-83.

STEEL PRODUCTION, COMPOSITE PRICES

(Effective November 11,1985)

U.S. Steel Production	Last Week	Two Weeks Ago	To Date 1985	To Date 1984
Net tons, in thousands	1,573	1,583	75,365	79,932
Capability Utilization Rate	61.8	62.2	65.7	68.9

Composite Prices	This Week	Week Ago	Month Ago	Year Ago
Finished Steel Base* (¢/lb.—eff. 7/1/84)	27.582	27.582	27.582	27.582
Pig Iron** (Net ton = 2000 lbs.)	$213.00	$213.00	$213.00	$213.00
Scrap No. 1 hvy.*** (Gross ton = 2240 lbs.)	$ 68.83	$ 68.83	$ 71.50	$ 79.17
No. 2 bundles	$ 50.83	$ 51.17	$ 52.50	$ 51.17

Scrap Comparison (Gross Ton)

No. 1 steel, Pittsburgh	$ 69.50	$ 69.50	$ 73.50	$ 81.50
No. 1 steel, Philadelphia	67.50	67.50	68.50	75.50
No. 1 steel, Chicago	69.50	69.50	72.50	80.50
No. 1 bundles, Detroit	56.50	56.50	66.50	64.50
Low Phos., Youngstown	66.50	65.50	69.50	72.50
No. 1 mach'y cast., Pgh.	68.50	68.50	71.50	66.50
No. 1 mach'y cast., Phila.	91.50	91.50	91.50	98.50
No. 1 mach'y cast., Chi.	97.50	97.50	99.50	110.50

*Finished Steel Composite: Weighted index of hot-rolled bars, shapes, plates, wire, rails, black pipe, hot-rolled sheets, and strip.
**Pig Iron Composite: Based on average prices for basic and foundry grades at seven leading points within the U.S.
***Steel Scrap Composite: Average of No. 1 hvy. melting steel scrap and No. 2 bundles, delivered to consumers in Pittsburgh, Philadelphia and Chicago.

NONFERROUS PRICES

(Effective November 11,1985) Prices obtained in trade based on representative tonnages per gross ton delivered to consumer unless otherwise stated.

Primary Metal Prices

(cents per lb.)	Current price	Last price	Date of change
Aluminum (LME)	42.84	42.79	11/11/85
Copper (C)	66.00-67.00	65.50-67.00	11/8/85
Lead	18.75-19.00	18.50-19.00	10/30/85
Magnesium Ingot	148.00	143.00	5/25/84
Nickel (LME)	183.18	184.96	11/11/85
Titanium Sponge	555.00-585.00	555.00	4/29/82
Zinc	35.00	38.00	11/6/85

ALUMINUM: Avg. for last week & previous week. COPPER (C): cathode. LEAD: common grade. MAGNESIUM: 99.8% pig, lb. (wrks). NICKEL: Avg. for last week & previous week. ZINC: high grade.

Antimony, American Laredo, Texas	$2.00
Beryllium-aluminum 5% Be, per lb. contained Be	$236.00
Beryllium-copper, per lb. cont. Be	$144.00
Beryllium 97% powder 200	$197.00
Cadmium, ton lots	$1.00-1.25
Calcium, ton lots, crown	$3.76
Chromium, 99.8%	$4.62
Cobalt, 99%, cathode	$11.70
Gold per troy oz.	$323.35
Indium, dollars per troy oz.	$2.50
Iridium, dollars per troy oz.	$430.00
Magnesium sticks, 10,000 lbs.	$2.02
Mercury, per 76-lb. f.o.b. N.Y.	$315.00-330.00
Molybdenum, lb. tech. moly oxides, 20 lb. MO can	$6.85
Nickel electro (PDCR)	$3.29
Palladium, per troy oz.	$101.00
Platinum, per troy oz.	$326.00
Rhodium, per troy oz.	$1,085.00
Silver ingots, per troy oz.	$6.00
Vanadium	$6.00
Zirconium sponge	$12.00-17.00

(Per lb. unless otherwise noted)

Straits Tin Price

(U.S. cents per lb. EX-SMELTER, based on daily market in Kuala Lumpur in Malaysian dollars per kilo.)

Nov. 4—TRADING
Nov. 5—SUSPENDED
Nov. 6—
Nov. 7—
Nov. 8—

Scrap Prices
Brass Mill Scrap

(Cents per lb. Over 20,000 lbs. add 1¢ per lb.)

	Solids	Turnings
Copper	60	50½
Yellow brass	52	43¼
Red brass	55¾	46
Comm. bronze	57⅛	46¼
Mang. bronze	44¾	43¾
Free cutting rod ends	47	46

Custom Smelters Scrap

(Cents per lb., carload lots, del. refinery)

No. 1 copper wire	57
No. 2 copper wire	48
Light copper	39

Ingot Makers Scrap

(Cents per lb., carload lots, del. refinery)

No. 1 copper wire	53
No. 2 copper wire	44
Light copper	35
No. 1 composition	46
No. 1 comp. turnings	44
Hvy. yellow brass solids	33
Hvy. yellow brass turnings	30
Radiators	35

Aluminum		
New mixed clips	32	— 33
Old sheet	29	— 30
Old cast	29	— 30
Clean dry borings	30	— 31

Dealers' Scrap

(Dealers' buying price f.o.b. New York, in cents per pound)

Aluminum		
Segregated clippings	24	— 26
Mixed I.C. clips	21	— 22
Old sheets and cast	20	— 21
Borings and turnings	16	— 18
Duralumin clippings	24	— 25

Copper and Brass		
No. 1 copper wire	45	— 46
No. 2 copper wire	37	— 39
Light copper	32	— 33
Radiators	30	— 31
No. 1 composition	39	— 40
No. 1 composition turnings	36	— 37
Cocks and faucets	28	— 29
Clean heavy yellow brass	27	— 28
Brass Pipe	28	— 29
New soft brass clippings	39	— 40

Lead		
Heavy soft lead	6	— 8
Whole batteries	1	— 3
Type metal	16	— 17
Electrotype	13	— 15

Nickel		
Nickel solids	115	—125
Nickel rod ends	115	—125
Nickel sheets, clips	115	—125
Nickel turnings	25	— 35

Zinc		
New zinc clippings	17	— 18
Old diecast zinc	13	— 14

Cleveland and Youngstown price reporting change

Effective Nov. 11, *Iron Age* changed its method of reporting scrap prices in **Cleveland** and **Youngstown** from consumer delivered prices to broker buying prices.

In addition, *Iron Age* will no longer list the Cleveland prices of mixed borings and turnings, drop forge flashings, steel axle turnings, railroad cast, cupola cast and stove plate, since the volume of business in these grades is minimal. *Iron Age* will begin listing Cleveland prices for mixed cast and plate and structural steel, 5 ft and under.

For additional information, write to Michael Marley, Managing Editor, Iron Age, Chilton Co., Chilton Way, Radnor, Pa. 19089.

EFFECTIVE NOVEMBER 11,1985

Effective November 11,1985. Prices obtained in trade based on representative tonnages per gross ton delivered to consumer unless otherwise stated. Prices are the opinions of *Iron Age* editors and correspondents, based on contacts with dealers, brokers, generators and users in the industry on the effective date listed above.

Ferrous Scrap Prices

Pittsburgh

No. 1 hvy. melting	$ 69.00 to	$ 70.00
No. 2 hvy. melting	59.00 to	60.00
No. 1 dealer bundles	84.00 to	85.00
No. 1 factory bundles (auto)	84.00 to	85.00
No. 2 bundles	50.00 to	51.00
No. 1 busheling	84.00 to	85.00
Machine shop turnings	7.00 to	8.00
Shoveling turnings	40.00 to	41.00
Cast iron borings	38.00 to	39.00
Low phos. punchings plate	90.00 to	91.00
Heavy turnings	63.00 to	64.00
No. 1 RR hvy. melting	77.00 to	78.00
Rails, 2 ft and under	96.00 to	97.00
Scrap rails, random lgth	75.00 to	76.00
RR specialties	92.00 to	93.00
No. 1 machinery cast	68.00 to	69.00
Cupola cast	61.00 to	62.00
Heavy breakable cast	30.00 to	31.00
Stainless		
18-8 bundles and solids	515.00 to	525.00
18-8 turnings	415.00 to	425.00

Chicago

No. 1 hvy. melting	$ 69.00 to	$ 70.00
No. 2 hvy. melting	62.00 to	63.00
No. 1 dealer bundles	81.00 to	82.00
No. 1 factory bundles (auto)	81.00 to	82.00
No. 2 dealer bundles	56.00 to	57.00
No. 1 busheling	79.00 to	80.00
Shredder scrap	79.00 to	80.00
Machine shop turnings	38.00 to	39.00
Mixed borings and turnings	40.00 to	41.00
Shoveling turnings	42.00 to	43.00
Cast iron borings	42.00 to	43.00
Low phos. forge crop	93.00 to	94.00
Low phos. punchings plate		
1/4 in. and heavier	109.00 to	110.00
Low phos. 2 ft and under	104.00 to	105.00
No. 1 RR hvy. melting	73.00 to	74.00
Scrap rails random lgth	74.00 to	75.00
Reroller rails	96.00 to	97.00
Rails, 2 ft and under	97.00 to	98.00
RR couplers and knuckles	82.00 to	83.00
RR car axles	98.00 to	99.00
No. 1 machinery cast	97.00 to	98.00
Cupola cast	65.00 to	66.00
Stove plate	87.00 to	88.00
Steel car wheels	82.00 to	83.00
Stainless		
18-8 bundles and solids	500.00 to	510.00
18-8 turnings	415.00 to	425.00
430 bundles and solids	130.00 to	135.00
430 turnings	95.00 to	100.00

Philadelphia

No. 1 hvy. melting	$ 66.00 to	$ 69.00
No. 2 hvy. melting	57.00 to	60.00
No. 1 dealer bundles	60.00 to	63.00
No. 2 dealer bundles	44.00 to	47.00
No. 1 busheling	80.00 to	83.00
Shredder scrap	81.00 to	84.00
Machine shop turnings	24.00 to	27.00
Mixed borings and turnings	24.00 to	27.00
Shoveling turnings	39.00 to	42.00
Low phos. 5 ft and under	73.00 to	76.00
Low phos. 2 ft. punchings	94.00 to	97.00
Electric furnace bundles	79.00 to	82.00
RR specialties	74.00 to	77.00
Rails, 2 ft and under	98.00 to	101.00
Cupola cast	76.00 to	79.00
Heavy breakable cast	53.00 to	56.00
No. 1 machinery cast	90.00 to	93.00

Detroit

Brokers buying prices per gross ton on cars

No. 1 hvy. melting	$ 47.00 to	$ 48.00
No. 2 hvy. melting	46.00 to	47.00
No. 1 dealer bundles	56.00 to	57.00
No. 2 bundles	22.00 to	23.00
No. 1 busheling	55.00 to	56.00
Drop forge flashings	34.00 to	35.00
Machine shop turnings	30.00 to	31.00
Mixed borings and turnings	12.00 to	13.00
Shoveling turnings	30.00 to	31.00
Cast iron borings	16.00 to	17.00
Heavy breakable cast	32.00 to	33.00
Mixed cupola cast	47.00 to	48.00
Automobile cast	71.00 to	72.00
Stainless		
18-8 bundles and solids	455.00 to	465.00
18-8 turnings	340.00 to	350.00
430 bundles and solids	115.00 to	125.00

Youngstown

Brokers buying prices per gross ton on cars

No. 1 hvy. melting	$ 57.00 to	$ 58.00
No. 2 hvy. melting	50.00 to	51.00
No. 1 dealer bundles	70.00 to	71.00
No. 2 dealer bundles	33.00 to	34.00
Machine shop turnings	20.00 to	21.00
Shoveling turnings	20.00 to	21.00
Low phos. plate	66.00 to	67.00
Electric furnace bundles	58.00 to	59.00
Galvanized bundles	56.00 to	57.00

Cleveland

Brokers buying prices per gross ton on cars

No. 1 hvy. melting	$ 53.00 to	$ 54.00
No. 2 hvy. melting	49.00 to	50.00
No. 1 dealer bundles	71.00 to	72.00
No. 1 factory bundles	49.00 to	50.00
No. 2 bundles	30.00 to	31.00
No. 1 busheling	62.00 to	63.00
Machine shop turnings	22.00 to	23.00
Shoveling turnings	22.00 to	23.00
Cast iron borings	15.00 to	16.00
Cut structural & plates 5 ft and under	63.00 to	64.00
Cut structural & plates 2 ft and under	81.00 to	82.00
Low phos. punchings plate	81.00 to	82.00
Foundry steel, 2 ft & under	47.00 to	48.00
No. 1 RR hvy. melting	53.00 to	54.00
Rails, 2 ft and under	82.00 to	83.00
Rails, 18 in. and under	64.00 to	65.00
No. 1 machinery cast	73.00 to	74.00
Mixed cast	40.00 to	41.00
Stainless		
18-8 bundles	440.00 to	450.00
18-8 turnings	325.00 to	335.00
430 bundles	100.00 to	110.00

Buffalo

Brokers buying prices per gross ton on cars

No. 1 hvy. melting	$ 50.00 to	$ 51.00
No. 2 hvy. melting	40.00 to	41.00
No. 1 busheling	65.00 to	66.00
No. 1 dealer bundles	64.00 to	65.00
No. 2 bundles	29.00 to	30.00
Machine shop turnings	15.00 to	16.00
Mixed boring and turnings	15.00 to	16.00
Shoveling turnings	21.00 to	22.00
Cast iron borings	23.00 to	24.00
Low phos. plate	73.00 to	74.00
Structural and plate 2 ft and under	77.00 to	78.00
Rails, 2 ft and under	79.00 to	80.00
Scrap rails, random lgth	64.00 to	65.00
No. 1 machinery cast	77.00 to	78.00
No. 1 cupola cast	59.00 to	60.00

St. Louis

No. 1 hvy. melting	$ 42.00 to	$ 43.00
No. 2 hvy. melting	31.00 to	32.00
Foundry steel, 2 ft	36.00 to	37.00
No. 1 dealer bundles	42.00 to	43.00
No. 2 bundles	27.00 to	28.00
Machine shop turnings	15.00 to	16.00
Shoveling turnings	21.00 to	22.00
Cast iron borings	30.00 to	31.00
No. 1 RR hvy. melting	53.00 to	54.00
Rails, random length	59.00 to	60.00
Rails, 18 in. and under	72.00 to	73.00
RR specialties	70.00 to	71.00
Cupola cast	71.00 to	72.00
Heavy breakable cast	49.00 to	50.00
Stove plate	89.00 to	90.00
Steel car wheels	81.00 to	82.00
Rerolling rails	69.00 to	70.00
Unstripped motor blocks	64.00 to	65.00

Birmingham

No. 1 hvy. melting	$ 70.00 to	$ 71.00
No. 2 hvy. melting	66.00 to	67.00
No. 1 dealer bundles	70.00 to	71.00
No. 2 bundles	46.00 to	47.00
No. 1 busheling	70.00 to	71.00
Shredder scrap	84.00 to	85.00
Machine shop turnings	24.00 to	25.00
Shoveling turnings	38.00 to	39.00
Cast iron borings	37.00 to	38.00
Electric furnace bundles	65.00 to	66.00
Elec. furnace, 3 ft & under	66.00 to	67.00
Structural and plate, 2 ft	86.00 to	87.00
Structural and plate, 4 ft	83.00 to	84.00
No. 1 RR hvy. melting	83.00 to	84.00
Scrap rails, random lgth	69.00 to	70.00
Rails, 2 ft and under	87.00 to	88.00
Angles and splice bars	83.00 to	84.00
No. 1 cupola cast	84.00 to	85.00
Unstripped motor blocks	74.00 to	75.00

Cincinnati

Brokers buying prices per gross ton on cars

No. 1 hvy. melting	$ 54.00 to	$ 55.00
No. 2 hvy. melting	53.00 to	54.00
No. 1 dealer bundles	64.00 to	65.00
No. 2 bundles	34.00 to	35.00
Machine shop turnings	7.00 to	8.00
Shoveling turnings	10.00 to	11.00
Cast iron borings	15.00 to	16.00
Low phos. 18 in. and under	79.00 to	80.00
Rails, random length	59.00 to	60.00
Rails, 2 ft and under	74.00 to	75.00
No. 1 cupola cast	69.00 to	70.00
Heavy breakable cast	24.00 to	25.00
Drop broken cast	71.00 to	72.00

New York

Brokers buying prices per gross ton on cars

No. 1 hvy. melting	$ 44.00 to	$ 45.00
No. 2 hvy. melting	35.00 to	36.00
No. 2 dealer bundles	20.00 to	24.00
Mixed borings and turnings	10.00 to	11.00
Machine shop turnings	4.00 to	6.00
Shoveling turnings	10.00 to	12.00
Clean cast, chem. borings	35.00 to	36.00
No. 1 machinery cast	79.00 to	80.00
Mixed yard cast	50.00 to	51.00
Heavy breakable cast	10.00 to	12.00
Stainless		
18-8 prepared solids	450.00 to	475.00
18-8 turnings	350.00 to	375.00
430 prepared solids	90.00 to	100.00
410 solids	75.00 to	85.00

Boston

Brokers buying prices per gross ton on cars

No. 1 hvy. melting	$ 51.00 to	$ 53.00
No. 2 hvy. melting	41.00 to	43.00
No. 1 dealer bundles	53.00 to	55.00
No. 2 bundles	34.00 to	36.00
No. 1 busheling	59.00 to F	61.00
Shredder scrap	61.00 to	63.00
Machine shop turnings	12.00 to	14.00
Shoveling turnings	18.00 to	20.00
No. 1 machinery cast	75.00 to	80.00
Mixed cupola cast	46.00 to	49.00
Heavy breakable cast	8.00 to	10.00

San Francisco

No. 1 hvy. melting	$ 38.00 to	$ 40.00
No. 2 hvy. melting	32.00 to	34.00
No. 1 dealer bundles	29.00 to	31.00
No. 2 dealer bundles	17.00 to	19.00
Machine shop turnings	8.00 to	9.00
Cast iron borings	8.00 to	9.00
No. 1 cupola cast	80.00 to	82.00

Los Angeles

No. 1 hvy. melting	$ 38.00 to	$ 40.00
No. 2 hvy. melting	32.00 to	34.00
No. 1 dealer bundles	29.00 to	31.00
No. 2 dealer bundles	16.00 to	18.00
Machine shop turnings	13.00 to	14.00
Shoveling turnings	10.00 to	11.00
Cast iron borings	8.00 to	9.00
Elec. furnace, 1 ft and under (foundry)	70.00 to	72.00
No. 1 cupola cast	72.00 to	74.00

Seattle

No. 1 hvy. melting	60.00 to	62.00
No. 2 hvy. melting	51.00 to	53.00
No. 2 bundles	35.00 to	37.00
No. 1 cupola cast	89.00 to	90.00
Mixed yard cast	80.00 to	82.00

Hamilton, Ont.

Brokers buying prices per gross ton on cars

No. 1 hvy. melting	$ 77.00
No. 2 hvy. melting, cut 2 ft and under	70.00
No. 1 dealer bundles	81.00
No. 2 bundles	53.00
Mixed steel scrap	48.00
Bush. new fact. prep'd	81.00
Bush. new fact. unprep'd	64.00
Machine shop turnings	34.00
Short steel turnings	34.00
Mixed borings and turnings	19.00
Cast scrap	86.00

Houston

Brokers buying prices per gross ton on cars

No. 1 hvy. melting	$ 67.00 to	$ 68.00
No. 2 hvy. melting	54.00 to	55.00
No. 2 bundles	40.00 to	41.00
Machine shop turnings	11.00 to	12.00
Crushed turnings	30.00 to	31.00
Shredder scrap	74.00 to	75.00
Cut structural plate, 2 ft and under	97.00 to	98.00
Cut structural plate, 5 ft and under	79.00 to	80.00
Unstripped motor blocks	57.00 to	58.00
Cupola cast	83.00 to	84.00

PRODUCER KEY
With Principal Offices

A7 Armco Inc., Middletown, Ohio
A8 Atlantic Steel Co., Atlanta, Ga.
A11 Atlantic Wire Co., Branford, Conn.

B1 Baron Drawn Steel Corp., Toledo, Ohio
B3 Bethlehem Steel Corp., Bethlehem, Pa.
B4 Blair Strip Steel Co., New Castle, Pa.
B5 Bliss & Laughlin Steel Co., Harvey, Ill.

C6 CF&I Steel Corp., Pueblo, Colo.
C10 Copperweld Steel Co., Warren, Ohio
C16 Connors Steel Co., Birmingham, Ala.
C20 Calumet Steel Div., Chicago Heights, Ill.

D1 Detroit Strip Div., Cyclops Corp.

E4 Elliot Bros. Steel Co., New Castle, Pa.

F1 Firth Sterling, Inc., McKeesport, Pa.

G2 Granite City Steel Div., National Steel Corp., Granite City, Ill.
G3 Great Lakes Steel Div., National Steel Corp., Ecorse, Mich.
G4 Greer Steel Co., Dover, Ohio
G5 Green River Steel Corp., Owensboro, Ky.
G6 Gibraltar Steel Corp., Buffalo, N. Y.
G7 Georgetown Steel Corp., Georgetown, S.C.

H1 Hercules Drawn Steel Corp., Livonia, Mich.

I2 Ingersoll Steel Div., Newcastle, Ind.
I3 Inland Steel Co., Chicago
I4 Interlake Steel Corp., Chicago

J2 Jessop Steel Corp., Washington, Pa.
J3 Jones & Laughlin Steel Corp., Pittsburgh
J4 Joslyn Mfg. & Supply Co., Chicago
J5 Judson Steel Corp., Emeryville, Calif.

K2 Keystone Consolidated Industries, Inc.
K3 Kentucky Electric Steel Co., Ashland, Ky.
K5 Kemco Div., Foote Mineral Co., Keokuk, Ia.

L2 La Salle Steel Co., Chicago
L3 Lone Star Steel Co., Dallas
L4 Lukens, Inc., Coatesville, Pa.

M2 McLouth Steel Products Corp., Detroit
M8 Mill Strip Products Div., National Steel Service Center, National Steel Corp.
M9 Maltrup Steel Products Co., Beaver Falls, Pa.
M11 Midwest Steel Div., National Steel Corp., Portage, Ind.

N1 Northeast Precision Steel Co., Boston
N4 Northwestern Steel & Wire Co., Sterling, Ill.
N6 Northwest Steel Rolling Mills, Seattle
N9 Nelsen Steel & Wire Co., Chicago
N10 North Star Steel Co., Saint Paul, Minn.

O2 Oregon Steel Mills, Portland, Ore.

P2 Phoenix Steel Corp., Claymont, Del.
P15 Philadelphia Steel and Wire Corp., Phila.

R3 Republic Steel Corp., Cleveland
R4 Ramco Steel Co., Buffalo, N. Y.
R5 Roblin Steel Corp., North Tonawanda, N.Y.
R7 Rome Strip Steel Co., Rome, N. Y.

S1 Sharon Steel Corp., Sharon, Pa.
S7 Stanley Works, New Britain, Conn.
S8 Superior Drawn Steel Co., Monaca, Pa.
S10 Seneca Steel Corp., Buffalo, N. Y.
S16 Southern Precision Steel Co., Gulfport, Miss.

T4 Thomas Steel Strip Co., Warren, Ohio
T5 Timken Co., Steel Division, Canton, Ohio
T7 Texas Steel Co., Fort Worth, Tex.
T9 Triumph Electro Corp., Chicago
T10 Tennessee Forging Steel Corp., Harriman, Tenn.
T11 Teledyne Columbia-Summerill, Carnegie, Pa.

U1 United States Steel Corp., Pittsburgh

W3 Weirton Steel Corp., Weirton, W. Va.
W5 Wheeling-Pittsburgh Steel Corp.
W7 Wilson Steel & Wire Co., Chicago
W10 Wyckoff Steel Div., Ampco-Pittsburgh Corp., Pittsburgh
W14 Whittar Steel Strip Div., Whittar Industries, Ltd., Detroit

STEEL SERVICE CENTER PRICES — Price, Dollars per 100 lb

Prices are based on list prices reported to Iron Age by a number of metal service centers deemed representative by Iron Age and their weighted based in part on the reports received each month. Prices are not intended to reflect the actual transaction prices detailed by any individual metal service center.

Cities* / City Delivery Points*	Sheets			Strip	Plates	Shapes	Bars		Alloy Bars			
	Hot-Rolled 18 Ga.	Cold-Rolled 20 Ga.	Galvanized 20 Ga.	Hot-Rolled 12 Ga.	Plates	Structural Shapes	Hot-Rolled Merchant	Cold-Finished	Hot-Rolled 8620 As Rolled	Hot-Rolled 4140 Annealed	Cold Drawn 8620 As Rolled	Cold Drawn 4140 Annealed
Atlanta	24.47	30.20	33.60	27.11	24.88	23.22	21.05	28.73	35.62	45.15	61.11	68.69
Baltimore	24.42	28.56	34.02	31.13	30.35	28.49	23.78	33.08	46.54	51.09	60.71	67.59
Birmingham	23.10	27.21	33.60	26.50	23.68	23.33	22.35	29.13	43.72	49.95	62.21	68.87
Boston	31.27	36.67	43.12	40.37	31.23	29.70	25.01	32.57	38.73	40.76	53.18	56.78
Buffalo	28.27	33.11	39.73	34.18	28.37	25.84	21.26	30.07	37.80	38.76	48.09	54.63
Chicago	26.12	32.40	36.03	24.32	21.92	20.59	19.30	24.99	29.30	36.60	45.87	51.04
Cincinnati	27.00	32.53	35.92	25.04	24.66	19.88	18.68	26.34	31.24	37.71	46.13	51.02
Cleveland	25.88	31.76	35.64	27.64	24.19	22.15	19.05	28.25	34.10	37.75	46.37	52.37
Denver	28.59	34.76	34.44	31.37	26.86	24.20	21.49	34.15	44.04	51.11	57.76	65.98
Detroit	26.74	32.75	36.33	24.25	24.66	20.50	19.06	26.32	31.14	37.38	46.18	51.68
Houston	25.13	26.65	30.33	33.36	24.72	24.31	22.05	36.65	42.12	42.29	57.26	63.87
Kansas City	27.93	34.26	36.90	26.91	25.35	21.25	18.40	30.97	36.41	40.14	48.48	52.94
Los Angeles	24.54	28.33	35.08	28.92	26.27	32.05	27.09	34.71	46.00	51.34	60.91	67.53
Memphis	22.04	30.19	31.64	26.95	24.43	24.15	21.65	30.50	33.71	44.50	58.09	65.99
Milwaukee	26.34	32.16	35.82	26.31	24.99	21.28	19.27	25.16	32.23	37.07	45.39	51.03
New York	29.50	35.68	40.14	37.27	30.67	25.04	22.47	33.05	36.74	41.73	48.51	53.25
Philadelphia	25.48	32.23	38.45	38.00	27.96	26.10	22.25	29.00	37.35	42.37	53.56	58.40
Pittsburgh	36.26	37.38	42.78	34.16	33.37	27.78	25.62	27.40	35.31	39.45	48.45	52.19
Portland	26.29	29.06	36.46	31.19	32.56	34.45	27.54	37.58	46.18	51.95	67.18	.....
San Francisco	24.44	29.33	35.87	29.08	25.69	29.86	27.16	35.30	47.99	51.84	60.96	67.53
Seattle	27.68	27.83	35.47	27.95	21.37	27.40	27.15	35.25	43.61	52.61	67.23	67.28
Spokane	21.04	28.24	28.65	32.25	32.02	33.63	23.45	36.94	39.45	42.47	.....	56.28
St. Louis	26.42	29.43	29.84	26.78	23.57	19.95	19.63	29.16	34.95	38.39	46.97	51.88
St. Paul	26.21	31.17	31.58	30.82	23.67	26.52	19.13	28.60	34.40	37.59	45.97	51.42

Base Quantities: All HR products may be combined for quantity. Hot-rolled sheet—10 ga. x 36 x 96—120. Cold-rolled sheet—20 ga. x 36 x 120. Galv. sheet—16 ga. x 36—120. Hot-rolled strip—1.9" x 1". Plate 1.4" x 84". Shapes—I Beams 6 x 12.5. Hot-rolled bar—Rounds 3/4-2 15/16. Cold finished bar—C 1018—1" rounds. Alloy bar—Hot-rolled 8620—1.5-5" round; Cold drawn—1" round. Hot-rolled 4140—1.5-5" round. Cold drawn—1" round. Check local supplier for additions or deductions from base.

*Prices at all points include metropolitan delivery charges.

Codes identify Producers listed on p. 64. (Prices quoted are mill base prices in cents per pound unless otherwise noted and do not reflect extras or surcharges.)
N.A. = Not available.

Billets, Blooms, Slabs

(Dollars per net ton)

Carbon Rerolling, Midwest	
W5	$366.00
N4	$366.00
West	
C6	$346.00
Carbon Forging, East	
B3(2)	$473.00
C10, U1	$473.00
R3	$453.00
Midwest	
R3, W5	$453.00
U1	$473.00
S1, I3	$473.00
C10	$473.00
K2	$473.00
West	
C6	$420.00
Alloy, East	
R3	$492.00
B3	$512.00
U1, C10	$512.00
Midwest	
W5	$492.00
U1, I3	$512.00
C10	$512.00
R3	$492.00
S1	$512.00
West	
C6	$469.00

Structurals

Carbon, East	
B3	22.90
J3	23.90
Midwest	
C20	22.90
W8	22.90
I3	23.90
T10	23.90
N4	23.90
South	
C16	23.90
T10	22.90
High Strength, Low Alloy, East	
B3	22.90
J3	23.90
Midwest	
N4	23.90
W8	24.15
I3	23.90
South	
C16	23.90
Wide Flange, Carbon, East	
B3	22.90
U1	22.75
J3	23.90
Midwest	
U1	22.75
N4	23.90
I3	23.90
Wide Flange, High Strength Low Alloy, East	
U1	24.30
Midwest	
U1	24.30

Strip

Hot-Rolled, Carbon, Cut II Edge—all widths, East	
U1, B3	23.75
J3	22.05
Midwest	
D1	22.05
I4	22.85
J3, W3	22.05
G2, G3	23.45
N4	22.55
W5, S1	23.75
U1, A7	23.75
I3, B3	23.75
M2	22.05
R3	22.05
South	
R3	22.05
Cold-Rolled, Carbon Max. 25%, East	
E4	29.75
S10	29.60
P15	24.80
B4	36.60
G6	36.175
Midwest	
I4	38.30
W14	32.80
J4	34.05
S1	37.05
High-Strength, Hot Rolled, Low Alloy, Cut Edge & Mill Edge, All widths, (plus extras)*	
Midwest	
M2, R3	22.05
W3, J3	22.05
G2, G3	23.45
S1	23.75
A7	25.35
South	
R3	22.05
High-Strength, Cold-Rolled, Low Alloy, Mill Edge	
Midwest	
S1	37.05
Alloy, Hot-Rolled, Midwest (plus extras)*	
S1	26.10
I4	25.20
Alloy, Cold-Rolled East (plus extras)*	
E4,M8	43.35
B4	49.75
P15	32.10
Midwest	
I4	44.30
S1	44.80

Sheets

Hot-Rolled, Carbon (18 Ga & Hvyr), East	
B3	23.75
J3	22.05
U1	23.75
Midwest	
M2, R3, W3	22.05
D1, J3	22.05
G2, G3	23.45
I4	22.45
U1, W5	23.75
S1, B3	23.75
I3, A7	23.75
West	
U1	24.25
South	
R3	22.05
Cold-Rolled, East, Class 1	
B3(2)	28.15
J3	26.15
U1	28.15
Midwest	
R3, M2, W3	26.15
G2, G3, M11	27.85
J3	26.15
D1	26.15
U1, W5	28.15
S1, B3	28.15
I3, A7	28.15
West	
U1	28.65
South	
R3	24.65
Galvanized (hot-dipped), East	
B3(2)	30.30
U1	30.30
Midwest	
J3, D1, W3	28.00
R3, Y1	28.00
G2, M11	30.00
U1, W5	30.30
S1	30.30
I3	30.30
A7	30.30
West	
U1	30.80
South	
R3	28.00
Enameling, Midwest	
U1, S1	29.65
I3, A7	29.65
J3	27.65
Long-Terne, Midwest	
W5, A7, U1	31.65
R3	29.35

Wire Rod

East	
B3(2)	22.35
Midwest	
N4, K2	22.35
U1	24.10
A7	22.00
West	
C6	21.45
South	
G7	22.35

Tinplate

Electrolytic Tinplate, Single Reduced (70 lb)	
East	per base box
J3	26.29
U1	30.12
Midwest	
U1	30.12
J3	26.29
M11	27.54
W3	26.29
W5	28.99
West	
U1	30.62
South	
U1	30.12
Double Reduced (55 lb)**	
Midwest	
M11	21.95
J3	21.49
U1	24.33
W3	21.49
W5	23.38
West	
U1	24.83
South	
U1	24.33
Black Plate Single Reduced (70 lb)*	
East	
B3	24.81
Midwest	
J3, W3	24.01
I3	24.57
W5	25.55
U1	26.55
M11	26.27
West	
U1	26.55
Double Reduced (55 lb)	
East	
B3	20.49
Midwest	
U1	21.32
M11, W5	20.49
W3, J3	18.93
West	
U1	21.32
South	
U1	21.32

*75 lb—base weight extra 69¢
**50 lb—base weight extra $1.40

Bars

Carbon Steel, Hot-Rolled (Special quality)	
East	
R3, K3, R5	25.80
J3	25.80
U1	27.05
C10	27.05
B3	27.05
Midwest	
I4	26.00
U1, I3	27.05
R3, T10	25.80
C20, N4	25.80
K2	25.80
A7	20.25
West	
C6	24.45
South	
A8	20.65
C16	25.80
Cold-Finished Carbon, East	
A11	22.15
R3	33.75
T11, S8	31.00
J3(4), L2	31.00
M8, W10	31.00
N1	24.475
R4, B4	33.25
C10	31.00
Midwest	
W10, R3	33.25
J3	31.00
B1	33.45
L2	30.75
N9	31.00
W14	22.20
B5, M9	34.75
West	
R3	37.15
South	
J3	34.00
C16	24.40
J3	31.95
Alloy, Hot-Rolled, East	
R5, K3	27.95
R3, J3	27.95
U1	29.20
B3	29.20
C10	29.20
Midwest	
R3	27.95
I3, C10, U1	29.20
I4	27.35
A7	20.25
West	
C6	26.60
South	
A8	22.00
Alloy, Cold-Drawn, East	
L2	35.20
R3, N1	37.90
R4	37.10
J3, W10, L2	34.85
T11, S8	34.85
C10	34.85
Midwest	
R3	37.35
J3, W10, C10	34.85
B1	37.30
N9	34.85
L2	34.85
B5, M9	38.60
West	
R3	40.75
South	
J3	35.85
C16	28.00

Plates

Carbon Steel, East	
B3	23.25
I4, U1	25.75
P2	23.25
J3	26.75
Midwest	
B3	23.25
I3	25.75
J3, A7	22.80
U1, I4, S1	25.75
R3	26.75
West	
U1	25.75
O2	23.00
South	
R3	25.75
U1	25.75
Alloy East	
B3	31.05
U1, I4	33.55
P2	33.55
J3	34.55
Midwest	
B3	31.05
I4, U1	33.55
West	
O2	31.00
South	
U1	33.55

Wire

Carbon Steel Wire, East	
B3	27.10
A11	22.15
Midwest	
R3	24.60
N4, W7	27.40
K2	24.20
South	
A8	22.85
West	
C6	24.95

IT'S BEEN A YO-YO YEAR FOR ORDERS

This year, so far, has been a yo-yo year for orders received by durable goods producers.

In September, orders totaled $106.8 billion, down 0.8 pct from the previous month. That was the fourth 'minus' month over the nine months of completed orders data so far this year.

"There has been no clear orders trend this year," stated one economist. "Instead, there has been a collection of differing trends." He made the point that orders' dollar volume in September was up only 1.3 pct from the start of the year. However, just since March, orders expanded by 7.3 pct.

The month-to-month orders decline in September reflected a broad-front weakness in orders. Transportation equipment was down $1.4 billion, or 4.6 pct, to $28.5 billion. This sharp decline was due to a falloff in orders for defense aircraft. Small gains in orders for nondefense aircraft and defense shipbuilding during the month could not offset the defense aircraft drop.

Also down in September were orders for primary metals. These orders fell by 8.6 pct to $10.1 billion.

Finally, there was softness in orders for nonelectrical machinery. Orders for these goods were down 3.6 pct.

The bright side in September came in a solid 14 pct rise in orders for electrical machinery.

It appears that the mood of durable goods producers is one of caution. There has been no buying for inventory. Inventories of durable goods manufacturers, noted the U.S. Labor Dept., "have shown virtually no change in the last three months." In September, a small increase in stocks of transportation equipment makers was more than offset by actual stock trimming by other durable goods producers.

Billions of Dollars, Seasonally adjusted Monthly Total, unless otherwise noted Source: U.S. Dept of Commerce		Latest Month or Qtr.	Previous Month or Qtr.	Same Period Year Ago
CAPITAL EXPENDITURES (Annual Rates)				
U.S. Industry, Total	4th Qtr*	$387.4	$389.5	$368.3
Manufacturing, Total	4th Qtr*	156.0	157.8	147.0
Manufacturing, Durable Goods	4th Qtr*	74.7	75.8	71.4
Mining Industry	4th Qtr*	15.8	16.3	17.0
KEY INDICATORS, Durable Goods Manufacturing				
New Orders	Sept.	106.8	107.7	98.2
Shipments	Sept.	103.2	105.3	98.2
Inventories	Sept.	192.1	192.0	188.6
Unfilled Orders	Sept.	357.2	353.5	350.3
NEW ORDERS, METALWORKING				
Capital Goods Producers, Nondefense Industries	Sept.	29.0	27.6	27.4
Capital Goods Producers Defense Industries	Sept.	8.5	10.3	7.3
Primary Metals, Total	Sept.	10.1	11.0	10.1
Steel (SIC 331)	Sept.	4.2	4.8	4.0
Iron & Steel Castings (SIC 332)	Sept.	1.3	1.3	1.2
Nonferrous Metals	Sept.	4.6	4.9	4.9
Nonelectrical Mach.-Equip. Industries, Total	Sept.	17.2	17.8	17.8
Engines & Turbines	Sept.	1.2	1.3	1.3
Farm Machinery & Equipment (Shipments)	Sept.	0.9	0.9	0.8
Construction, Mining & Mat. Hdlg. Equip	Sept.	2.6	2.9	2.8
General Industrial Machinery	Sept.	1.5	1.3	1.5
Fluid Power Equipment** (Index-1972=100)	Sept.	273.0	277.0	265.0
Metalworking Machinery	Sept.	1.0	0.7	1.0
Machine Tools, Total ($Mill., Unadjusted)***	Sept.	171.7	184.5	286.3
Machine Tools, Metalcutting***	Sept.	120.8	130.8	222.2
Machine Tools, Metalforming***	Sept.	50.9	53.7	64.1
Electrical Mach. & Equip. Industries, Total	Sept.	16.7	14.7	16.6
Elec. Transmission Equip. & Ind. Apparatus	Sept.	2.0	2.2	2.1
Household Appliances	Sept.	1.5	1.3	1.4
Communication Equipment	Sept.	6.7	5.1	5.8
Transportation Equipment, Total	Sept.	28.5	29.9	22.6
Motor Vehicles & Parts (Shipments)	Sept.	17.3	17.1	14.6
Aircraft, Missiles & Parts	Sept.	9.7	11.3	7.1
Shipbuilding & Military Tanks	Sept.	0.9	0.4	0.6
Fabricated Metal Products, Total	Sept.	14.7	15.6	12.0
Instruments, Total	Sept.	4.5	4.8	4.5

*Est — Commerce Dept, **Source: National Fluid Power Assn., ***Source: NMTBA